

Arbitrage Rebate: The Basics



What is arbitrage?

“Arbitrage” should be a familiar term to those in the public finance community, yet for many the rules seem too complex to fully understand. Arbitrage is the difference between the actual investment earnings on bond proceeds and the investment earnings had the proceeds been invested at the “Arbitrage Yield.”

What does the law require?

The current regulations, based on Section 148 of the Internal Revenue Code, carry a basic premise: Issuers of tax-exempt bonds are required to rebate all “positive” arbitrage earned on the investment of a bond issue’s proceeds to the federal government.

The Regulations further require that issuers calculate the Arbitrage Yield using a certain methodology – in essence, the issuer’s average borrowing rate on that bond issue. If the actual earnings exceed the earnings at your Arbitrage Yield, your issue has accrued positive arbitrage and a payment will be due.

When to pay – and how to file

All issuers of tax-exempt debt should have a basic understanding of the arbitrage rules and know what is required of them to maintain compliance with these rules.

Here are the basic requirements set forth by the regulations:

Determine the liability. At least every five “bond” years (no later than five-years after the issue date, and every five years thereafter), determine if an arbitrage rebate liability has accrued.

Maintain proof. If no liability has accrued, no payment is due and no filing is required. However, the issuer is required to maintain sufficient documentation to prove that no payment was due.

Pay on time. If a payment is due, the issuer is required to pay at least 90% of the liability within 60 days of the computation date. If the computation date is the final maturity date for the bond issue, then 100% of the liability needs to be paid within 60 days of the final maturity date.

Complete the right form. Issuers are required to send an IRS Form 8038-T along with a check to the Internal Revenue Service Center in Ogden, Utah; the calculations are not required to be, and should not be sent to the IRS.

For additional information regarding the arbitrage compliance requirement, visit www.irs.gov.

If you have any questions regarding Arbitrage Rebate, please feel free to contact Trish Oppeau at (314) 851-5482 or Jason Glidden at (816) 642-8552.

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Communication Planning Workshop

School districts of all sizes benefit by having a solid communication plan. MASA will provide your district guidance in developing the framework of a plan that will help you address big and small communication and PR issues.

The workshop includes the following:

- Communication planning overview
- Communication advisory teams
- Determining audiences
- Research
- Determining key messages
- Delivering your messages
- Comprehensive and project plans
- Evaluating effectiveness

The workshop will help you and your district start the process of building a great communication plan, but additional work will need to take place beyond the workshop to finalize a plan.

There is no charge for the workshop.

Want to host or be part of a session:

Contact David Luther:
david.luther@mcsa.org
(573) 638-4825

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App

Conferences at Your Fingertips:

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Fill Your Toolbox: Central Office Administrators Conference

Nov. 12-14



opportunity to attend a special two-hour mental health/trauma informed workshop session.

The committee has also put a premium on providing both formal and informal networking opportunities including roundtable discussions on curriculum & instruction, counseling, compliance, leadership and staff development, and strategic planning. There will also be a Tuesday morning working breakfast where participants can get their caffeine jolt while also

Be sure to mark your calendars and get registered for the 2017 Central Office Administrators Fall Conference, November 12-14 at the Lodge of Four Seasons, Lake Ozark.

The program committee has made some changes in the format that will provide attendees the opportunity to attend traditional break-out sessions, but also delve deeper into important subject matter in the 90-minute “Stretch” sessions. These longer sessions have been selected based on survey research MASA has done over the past two years. The 90-minute sessions include Strategic Planning, Entering into the Superintendency, and Understanding Your Role as an Advocate for Public Education.

MASA members continue to ask for further insights and help in the area of student mental health. With that in mind, all participants will have the

discussing issues impacting public education in Missouri today.

Our conference keynote speaker is Mr. Steve Knagg. Steve spent more than 30 years in school administration in Texas and then went on to serve as a school board member.

Conference attendees will enjoy Steve’s sense of humor and insights into the world of public education.

MASA will send registration flyers in late September, but those wishing to register now may go to www.masaonline.org. Find the registration information under the “Conferences & Workshops” tab.

For additional information or if you have questions, call (573) 638-4825 or email david.luther@mcsa.org.



Steve Knagg

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SPOTLIGHT

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September 2017

Explore and Connect at the 2017 Fall Conference MSBA/MASA Event Set for October 5-8

The 2017 MSBA Annual Conference held in cooperation with MASA provides a unique opportunity for superintendents and school board members to renew their commitment to providing children with a quality education.

The conference is set for October 5 - 8 at Tan-Tar-A Resort and it is not too late to register. For more information or registration, go to www.msbanet.org.

The conference features more than 120 concurrent sessions on a wide range of topics of interest to superintendents and school board members. In many cases, sessions are presented by leaders from local school districts throughout the state.

The First General Session includes keynote Dr. Steve Constantino. Dr. Constantino is a teacher, author and is internationally recognized for his work in family engagement and his innovative, non-conventional, entrepreneurial and outlier approaches to leading organizations and acquiring impressive results.

The Second General Session will include Emmy Award Winning journalist and outstanding Missouri public school



Dr. Steve Constantino



Mr. Stone Phillips

graduate, Stone Phillips. Stone is a former co-anchor of the newsmagazine Dateline NBC. During his 15 years at NBC News, he also served as a substitute anchor on NBC Nightly News, Today and Meet the Press. Mr. Phillips also spent more than a decade at ABC News, where he served as a correspondent for World News Tonight and 20/20.

Other speakers include Michele Gay, Co-founder and Executive Director

of Safe & Sound Schools and Chris Zimmerman, Executive Director of the Weber School District Foundation.

The Saturday night banquet will include the naming of the 2018 Superintendent of the Year.

The MASA Business Meeting will be on Friday afternoon at 3:45 p.m. in the Crystal Ballroom at which time the MASA legislative platform will be discussed.

Gale Bartow/MASA Ambassadors Memorial Golf Tournament: Still Time to Register!



There is still time to register for the Gale Bartow/MASA Ambassadors Memorial Golf Tournament to be held Monday, September 18 at the beautiful Lake Valley Country Club.

This year we will honor Dalton Ham, MASA President, 1987 - 1988. Tee-off for the shot gun start is 12 noon. This is a four-person scramble. Cost is \$80 per person (includes green fees, cart,

and meal following the tournament). Prizes for the top three teams in three flights!

All current and retired superintendents and administrators are invited to participate in this great afternoon of golf.

Register at the www.masaonline.org website (the link is on the home page).

The 2017-2018 School Year Is Upon Us



By Doug Hayter, MASA Executive Director

Many of our new leaders have already been connected with a formal mentor through the Administrator Mentoring Program (AMP). If you have not already joined the AMP, please visit the MASA website and find the Mentoring tab. Of course, if you have questions, please call me at any time.

Missouri Academy for New Superintendents

The Missouri Academy for New Superintendents was developed through the coordinated efforts of MASA, the Missouri Department of Elementary and Secondary Education, and Department of Educational Leadership at Saint Louis University. This is a one-year program for superintendents specifically in their second through fourth years on the job. Participants meet to discuss such things as the effective interpersonal and communication skills; best practices for working with elected boards and communities in building consensus; the strategic planning processes; and the political and social roles of educational leaders. Dr. Sarah Riss will lead the program this year. If you are a superintendent who qualifies to participate, we encourage you to contact us and be a part of the excellent professional development opportunity.

Online Discussion Via Facebook

MASA has created a closed Facebook group specifically designed to assist those in their second through fourth years as a superintendent. While our goal is to provide support for this group by involving them in ongoing conversations, we invite 1st year and veteran MASA members to join the group and weigh in on issues and provide their personal insights as well. If you are a Facebook user and would like to be part of this closed discussion group, please send a “friend” request to David Luther and he will add you to the group. If you are not a current Facebook user, we would encourage you to consider doing so for this specific purpose. We look forward to many of you participating and using this venue to support our newer MASA members.

Focus On

Several weeks ago MASA sent a mailing to all superintendents with information on this fall’s Focus On professional development series. You likely have also begun to receive emails about sessions that will be held in your area. I want to encourage you and your staff to sign up for these three-hour sessions. Among the topics covered this year: FMLA/ADA/Workman’s Compensation, 504 Compliance, Board – Superintendent Relationships, APR Assistance, and Strategic Planning. If you wish to register for any of the sessions online, go to the www.masaonline.org site and find the Conference & Workshops tab.

Naturally, there is so much more coming up in the months ahead. In early October MASA works jointly with MSBA to provide the Annual Fall Conference and in mid-November we’ll have the Annual Central Office Administrators (COA) Conference.

Again, those of you who are new to the superintendency, I encourage you to seek out the veteran leaders for their thoughts; and those of you who have served as superintendents for several years, lend some of your experience to the new leaders. As always, I am only a phone call, text or email away should you need help from myself or any of our MASA staff.

Best wishes for a great 2017-2018 school year.

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Decisions Are Made By Those Who Show Up

Mike Lodewegen, MASA Associate Executive Director for Governmental Affairs

In 2018, 43 members of the Missouri House of Representatives are prohibited from running for re-election due to term limits. This is an abnormally large number of open seats. This election cycle poses both a challenge to replace public education supporters and an opportunity to replace legislators that have continually voted against the interests of public schools.

School administrators can play a key role to ensure that quality candidates are running for state office. Here are three things to ponder:

1. Are you nearing retirement or recently retired? Running for and serving in public office is something that can be extremely rewarding and a great way to speak up for your colleagues still in the profession. School administrators have wonderful networks of people in their communities that are invaluable when running for office. The number of people that know you and the relationships you have built over your tenure in education gives you a significant head start on almost any other candidate.

2. Is there a well-known and respected school board member, retired teacher, or supportive local business owner in your community or a neighboring community? If so, have a serious conversation about them running for state representative and gauge their interest.

3. There may be candidates that have already declared. Ask around your community and meet with the candidates to try to get a sense of where they are at on the issues. If you aren’t happy with the answers, reference points 1 and 2.

If you are interested in running, or know of someone that you would support who is running for state representative, please let us know. While filing for office doesn’t open until February, there are several things that can and need to be done between now and then to ensure that a candidate is set up to succeed. We are happy to offer our expertise, thoughts on how to proceed, and ways that we can be helpful.

Decisions are made by those who show up, so as we move into the 2018 election cycle, who is going to show up to Jefferson City from your district?

Contribute to Better Schools for Missouri!

Better Schools for Missouri was formed as a way for supporters of public education to help elect candidates in Missouri who share the value of quality public education.

We encourage MASA members to support the action committee. You may contribute and learn more at www.beterschoolsformissouri.com or send an email to beterschools@mcsa.org. You may reach us by phone at 573-638-2692.



Focus On

Professional Development Series, 2017-18

Sessions still remaining include:
When Workers Can’t Work: Solving the FMLA/ADA/Workers’ Compensation Puzzle
 9/28: Blue Springs
 10/10: Jefferson City

Sharks in the Water: How to Minimize the Biggest Liability Threats to School Districts
 9/12: Arnold (Fox Schools)
 9/19: Liberty
 9/26: Nixa
 10/31: Jefferson City

Focus On Section 504: How to Stay in Compliance During Changing Times
 9/12: Jefferson City
 9/21: Cape Girardeau
 10/3: Raytown
 10/10: Eureka (Rockwood Schools)

School Board - Superintendent Relationships
 9/12: Rogersville (Logan-Rogersville Schools)
 9/28: St. Louis (Education Plus)
 10/24: Jefferson City

Strategic Planning for School Districts
 9/21: Independence (Fort Osage)
 9/28: Jefferson City

Understanding Your APR; ESSA; Federal Programs
 10/2: Jefferson City
 10/3: Jefferson City



MASA President’s Report

Thinking About Public Perception? You Should Be.

Allan Markley, Superintendent of the Raytown C-2 Quality Schools



I have a neighbor, an older fellow, who has no qualms about doing many of his outdoor activities in his old boxers and a stained t-shirt. It’s not unusual to see him pulling his trash to the curb or checking his mailbox in this rather casual attire. I’ll admit it, I’m judging him, and I suspect I am not the only person on the street who has noted his peculiar ways.

The other side of the coin: I love calling one of our elementary schools just to hear the secretary answer the phone. She has one of those slightly southern accents – all honey and warm butter. I can hear the smile in her voice and I am absolutely sure that it’s not an act. She is the real deal. I’ve also been at her school at the beginning of the day and watched her in action. She greets every child and his or her parent by name. She distributes hugs when needed and soft admonishments when called for. She is, in general, a ray of sunshine for everyone she encounters.

People notice. People make judgments based on what they see and hear, and those judgments can have implications, both positive and negative. Whether it’s fair or not, my opinion of my neighbor is based in large part on his choice of apparel and where he wears it; and likewise, my very positive thoughts of the school secretary lead me to view not only her, but the entire school very favorably.

As public school leaders, we should be very interested in how our schools, our staff and especially ourselves are viewed. I’m not being trite when I say that first impressions really do matter, and so do subsequent encounters.

I suspect that many of you make a point to drive around your district and take note of the curb appeal of your schools and other facilities. You put yourself in the role of Joe Taxpayer

and size up everything with a very critical eye. Is the lawn mowed? Are the weeds pulled? Is there any trash strewn about? Is there an embarrassing typo on the building marquee? We all know that the important work that is taking place inside the buildings is what really matters, but most of the people in our communities rarely, if ever, step foot in the buildings, so what they see on the outside is a big part of how they judge the quality of the district.

You may have noticed that the first two examples I used about schools were a school secretary and, to an extent, our custodial and maintenance folks. In many cases, the people who can make or break a district’s reputation are not in the classroom or at the principal or administrative level. That’s why it is so important to let all of your employees know that they are part of the big picture. We all know the importance of a quality bus driver and a top-notch food service person. They impact student lives and students share their opinions with their parents, grandparents and many others.

The vital nature of having teachers and principals who reflect well on your district cannot be understated. Every district has some rock stars – the kind of professionals that students, parents and colleagues rave about. What makes them special? It’s many things – their overall knowledge, their desire to grow personally and professionally, and how they carry themselves. It is their ability to connect with those they work for and with that make them special. They are noticed and it reflects well on your districts. People know that their

students are in good hands. That’s gold. So, what about you? As the leader of your school district, your actions and decisions are subject to scrutiny. How you comport yourself both in the schools and out in the community has a tremendous impact on how the district



Dr. Markley and friend make their way through the halls.

is perceived. I’ve heard many MASA leaders talk about the importance of ethics in our field and it’s true. I’ll go further and say that we all play a role in how school leaders, and the districts they serve, are viewed by those throughout the state and country. Regardless of the situation -- be it a facility, a district employee or a school board member, perceptions matter. There’s no better time than these first weeks of the school year to make those positive first impressions and to build on them throughout the months to come.